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25 FEB 1982

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MEMORANDUM FOR THE RECORD

82-4159/3

SUBJECT: Meeting With Senate Select Committee Staffers on Dresser Drill Bit Case

1. At the request of the DCI, [] SOVA, and I met with two SSCI staffers on 11 February 1982 to discuss CIA's recent contribution to the Secretary of Commerce on the Dresser Industry's Drill Bit case. The two staffers were Bob Butterworth and Peter Sullivan. Both were cleared SI/TK and they were accompanied by [] from CIA's Office of Legislative Counsel. []

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2. The staffers were told that the memorandum to the Secretary of Commerce contained two pieces of intelligence. The first was that we now had intelligence that confirms Soviet intent to use tungsten-based power metallurgy technology acquired from the West to improve their armor penetrator. The second was that we now believe--based on our analysis--that this technology resulted from the Dresser Drill Bit Plant sold to the Soviet Union. []

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3. The staffers were not impressed with the new information or our analysis commenting that they had come to that conclusion some three years ago. We pointed out that we also had hypothesized this conclusion in 1978 but had no intelligence that confirmed the likelihood. During the discussion, which lasted for one and a half hours, [] provided the technical, industrial, and military understanding required for the staffers to appreciate our recent analysis. He also noted that the intelligence base on this subject of Soviet armor penetrators was very sparse prior to 1977-78 and that as a result of relatively recent high-level interest in the US Government on Soviet armor and armor penetrators, our knowledge of Soviet penetrators has increased significantly. Related discussions about Soviet munition manufacturing and the use of Western technology led to an observation by Mr. Butterworth that they perhaps had focused on the wrong questions in 1978 and that the production of armor penetrators at the Drill Bit Plant was not the concern but rather whether that technology might have been transferred to another plant where military production takes place. [] commented that this is precisely the situation as we saw it today. []

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4. During the discussion, the two staffers appeared overly interested in the source of the material, asking questions about the type of source, whether there was more than one source, and when the material had become available. (During our discussion, we had acknowledged that SOVA had

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responded with an analytical assessment late last fall which did not include in the new information; thus resulting in one of the staffers commenting that the new information had probably been required in December 1981 or January 1982.) We stated that we were not to discuss sources and methods with them and cautioned repeatedly on our concern for the security of the intelligence sources associated with this new material. [REDACTED]

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5. A basic interest that the staffers expressed about the new analysis was that now that we had the new information it be used to prove that they (Senator Jackson's Staff) had been right in their earlier assessment. Based on this situation, I would opine that there will be continuing pressure to break out this material for this purpose. [REDACTED]

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[REDACTED]
Chief
Technology Transfer Assessment Center

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